

NEWS RELEASE

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If looking at your current winter hydro bill fills you with dread, then you may not want to hear what the government has in store for you. The sad truth is, hydro is about to get a whole lot more expensive.

Last week's energy deal with Samsung in effect leads to much higher prices in the years to come. Dalton McGuinty signed an untendered \$7 billion contract with Samsung to provide renewable energy to Ontario.

Ontario has signed a contract agreeing to pay a foreign multi-national a premium price for the large renewable energy projects – 13.5 cents per kilowatt hour for wind and 44.3 cents for solar. That compares to five cents per kilowatt hour for existing Ontario energy production.

These increased rates will appear on your monthly bill as a Provincial Benefit (PB); a prime example of Orwellian double-speak if I ever heard one. The PB has increased in the last several months to cover the cost of contracted energy generation, such as renewable energy projects.

So what should concern you about last week's big announcement is that the prospect of higher electricity rates for consumers was not explained by the McGuinty Liberals. What makes this even worse is that these increases are on top of two policies already put in place by the McGuinty government. The Harmonized Sales tax (HST) and time-of-use pricing which will hit your hydro bill this year.

As of Canada Day you will pay an additional eight percent on your hydro bill for the HST. A tax increase that families on fixed incomes cannot afford.

The new peak pricing will also have a huge impact on seniors and families with young children who are at home during the day. Many households are limited in their ability to change their electricity consumption pattern. It's particularly difficult to change usage for those who work at home or are home during the day.

I also have a philosophical problem with signing a single source untendered contract. The McGuinty Liberals are clearly favouring one foreign multi-national over struggling Ontario businesses. Ontario businesses that have green energy technology will now need to partner with Samsung if they want to participate in these renewable energy projects.

Picking winners and losers is not the role of government. The government's track record is abysmal dating back to the famous Suncor deal. We should focus instead on targeting

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taxes that would make Ontario desirable for investment for all companies. Ontario based companies should be given an opportunity to become leaders in green technology.

So the Liberals have signed a very expensive single source contract that I believe will cost each of us a great deal in the future. All of this from the guy who promised solemnly that he would freeze electricity rates and not raise taxes.

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